

TRENDING DOWN using NEW COST FACTOR CHARTS - INSTRUCTIONS

Explanation

The New Cost Factor charts are designed to help you use the known new value of a piece of equipment to calculate an approximate new value for the same equipment with an older year new.

To use them you must know the new cost, FOB or suggested retail price for a specific year. Multiply that value by the factor from the chart to determine the approximate new cost, FOB or suggested retail price for any year older than the known year.

This is called trending down.

Always use the correct New Cost Factor chart, PPBA-19 for Heavy Equipment, and PPBA-3 for all other personal property, except oil and gas equipment.

Once you have calculated a new cost, FOB or suggested retail price for the year needed, the correct depreciation percentage must be applied to arrive at the current market value.

Example: You need to determine an FOB for a 1955 tractor.

You find that the FOB for a 1961 tractor of the same make and model is \$9,100.

Find the Year of Known Cost (1961 in this example) on the horizontal line at the top of the New Cost Factor chart. Follow that column down the page to where it intersects with the Year of Unknown Cost (1955 in this example) to find the appropriate factor (0.80 or 80% in this example).

To calculate a Trended FOB for the 1955 tractor:

\$9,100	FOB of the 1961 tractor
x 80%	the factor found on the NCF chart
\$7,280	FOB of the 1955 tractor

Using the appropriate depreciation schedule for the equipment type, apply the correct depreciation percentage to calculate the 2009 market value.

\$7,280	FOB of the 1955 tractor
x 23%	depreciation %
\$ 1,674	market value

2009 NEW COST FACTOR CHART

Year of Unknown Cost	Year of Known Cost																									
	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955
1980	1.00																									
1979	0.91	1.00																								
1978	0.83	0.92	1.00																							
1977	0.77	0.85	0.93	1.00																						
1976	0.73	0.81	0.88	0.95	1.00																					
1975	0.69	0.76	0.83	0.89	0.94	1.00																				
1974	0.62	0.68	0.75	0.80	0.84	0.90	1.00																			
1973	0.54	0.59	0.64	0.69	0.73	0.77	0.86	1.00																		
1972	0.52	0.57	0.62	0.67	0.70	0.75	0.83	0.97	1.00																	
1971	0.50	0.55	0.60	0.65	0.68	0.72	0.81	0.93	0.97	1.00																
1970	0.47	0.52	0.57	0.61	0.64	0.68	0.76	0.88	0.91	0.94	1.00															
1969	0.44	0.49	0.53	0.57	0.60	0.64	0.72	0.83	0.86	0.89	0.94	1.00														
1968	0.43	0.47	0.51	0.55	0.58	0.61	0.69	0.79	0.82	0.85	0.90	0.96	1.00													
1967	0.41	0.45	0.49	0.53	0.56	0.59	0.66	0.76	0.79	0.82	0.87	0.92	0.96	1.00												
1966	0.39	0.43	0.47	0.51	0.53	0.57	0.63	0.73	0.76	0.79	0.83	0.89	0.92	0.96	1.00											
1965	0.38	0.42	0.46	0.49	0.52	0.55	0.61	0.71	0.74	0.76	0.81	0.86	0.90	0.93	0.97	1.00										
1964	0.38	0.41	0.45	0.49	0.51	0.54	0.61	0.70	0.73	0.75	0.80	0.85	0.89	0.92	0.96	0.99	1.00									
1963	0.37	0.41	0.45	0.48	0.51	0.54	0.60	0.70	0.72	0.74	0.79	0.84	0.88	0.91	0.95	0.98	0.99	1.00								
1962	0.37	0.41	0.45	0.48	0.51	0.54	0.60	0.69	0.72	0.74	0.79	0.84	0.87	0.91	0.94	0.97	0.99	1.00	1.00							
1961	0.37	0.41	0.44	0.48	0.50	0.53	0.60	0.69	0.71	0.74	0.78	0.83	0.87	0.90	0.94	0.97	0.98	0.99	0.99	1.00						
1960	0.37	0.41	0.44	0.48	0.50	0.53	0.60	0.69	0.72	0.74	0.78	0.83	0.87	0.90	0.94	0.97	0.98	0.99	1.00	1.00	1.00					
1959	0.37	0.40	0.44	0.47	0.50	0.53	0.59	0.68	0.71	0.73	0.77	0.82	0.86	0.89	0.93	0.96	0.97	0.98	0.99	0.99	0.99	1.00				
1958	0.36	0.40	0.43	0.46	0.49	0.52	0.58	0.67	0.70	0.72	0.76	0.81	0.85	0.88	0.91	0.94	0.96	0.97	0.97	0.97	0.97	0.97	0.98	1.00		
1957	0.35	0.39	0.42	0.45	0.48	0.51	0.56	0.65	0.68	0.70	0.74	0.79	0.82	0.86	0.89	0.92	0.93	0.94	0.94	0.95	0.95	0.95	0.96	0.97	1.00	
1956	0.32	0.36	0.39	0.42	0.44	0.47	0.52	0.61	0.63	0.65	0.69	0.73	0.76	0.79	0.83	0.85	0.86	0.87	0.88	0.88	0.88	0.89	0.90	0.93	1.00	
1955	0.30	0.33	0.36	0.38	0.40	0.43	0.48	0.55	0.57	0.59	0.63	0.67	0.70	0.73	0.75	0.78	0.79	0.80	0.80	0.80	0.80	0.81	0.83	0.85	0.91	1.00